



City of Santa Barbara

PLANNING COMMISSION

MINUTES

MARCH 7, 2019

1:00 P.M.
City Hall, Council Chambers
735 Anacapa Street
SantaBarbaraCA.gov

COMMISSION MEMBERS:

Lesley Wiscomb, *Chair*
Mike Jordan, *Vice Chair*
John P. Campanella
Jay D. Higgins
Sheila Lodge
Deborah L. Schwartz
Addison Thompson

STAFF:

Tava Ostrenger, Assistant City Attorney
Allison DeBusk, Senior Planner
Krystal M. Vaughn, Senior Commission Secretary

CALL TO ORDER

Chair Wiscomb called the meeting to order at 1:04 p.m.

I. ROLL CALL

Chair Lesley Wiscomb, Vice Chair Mike Jordan, Commissioners John P. Campanella, Jay D. Higgins, Sheila Lodge, Deborah L. Schwartz, and Addison Thompson

Absent: None

STAFF PRESENT

Tava Ostrenger, Assistant City Attorney
Daniel Gullett, Principal Planner
Allison DeBusk, Senior Planner
Laura Dubbels, Housing and Human Services Manager
Jessica Metzger, Project Planner
Kathleen Kennedy, Project Planner
Kathy Goo, Commission Secretary

II. PRELIMINARY MATTERS

A. Requests for continuances, withdrawals, postponements, or addition of ex-agenda items:

No requests.

B. Announcements and appeals:

Ms. DeBusk announced the appeal hearing for the project at 35 N. Calle Cezar Chavez was continued by the City Council to a date uncertain.

- C. Review, consideration, and action on the following draft Planning Commission minutes and resolutions:

1. February 14, 2019 Minutes

MOTION: Campanella/Lodge

Approve the minutes as amended.

The motion carried by the following vote:

Ayes: 7 Noes: 0 Abstain: 0 Absent: 0

- D. Comments from members of the public pertaining to items not on this agenda:

Public comment opened at 1:09 p.m.

The following individual(s) spoke:

1. Kip Young

Public comment closed at 1:14 p.m.

III. NEW ITEM

- A. ACTUAL TIME: 1:15 P.M.**

AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM AMENDMENT FOR INCLUSIONARY RENTAL HOUSING

Consideration of a proposed amendment to the Zoning Ordinance (SBMC Title 30) to provide Inclusionary Housing for rental projects constructed with the Average Unit-Size Density Incentive Program (AUD Program), and to forward a recommendation to City Council.

Jessica Metzger, Project Planner, gave the Staff presentation. Dan Gullett, Principal Planner; Laura Dubbels, Housing and Human Services Manager; and David Doezeema, Keyser Marston Associates, Inc., were available to answer questions.

Public comment opened at 1:52 p.m.

The following individuals spoke:

1. Kip Young
2. Austin Herlihy. Gene Deering and Chris Parker ceded their time to Mr. Herlihy.
3. Brian Cearnal. Trish Allen ceded time to Mr. Cearnal.
4. Steve Fort
5. Greg Reitz, opposed.
6. Ellen Bildsten

Public comment closed at 2:20 p.m.

Public comment re-opened at 3:28 p.m. following Planning Commission questions.

The following individuals spoke:

1. Lindsey Baker, representing League of Women Voters of SB.
2. Rob Fredericks, in support, representing Housing Authority of Santa Barbara. Lucille Boss ceded time to Mr. Fredericks

Written correspondence from Steve Fort, Board Member, Coastal Housing Coalition; Thomas Schultheis, President, Santa Barbara Association of Realtors; Robert Pearson; and Lindsey Baker, Co-President for League of Women Voters of Santa Barbara were acknowledged.

Public comment closed at 3:42 p.m.

Commissioner comments:

Commissioner Schwartz:

- Inclusionary housing should be one part of a whole in terms of all proposed amendments to the AUD Program. We are piecemealing AUD amendments but it should be done comprehensively.
- The KMA Report is lacking and was not peer-reviewed by local experts.
- Priority processing may be key. Streamlining the City's internal process needs to be part of the discussion. It takes too long to get through the review process.

Commissioner Jordan:

- Agrees with Commissioner Schwartz's comments.
- The long review process kills projects.
- Thinks the proposed amendment will tamp down housing.
- Challenge the KMA study with a group of local individuals for input and bring it back again for discussion.
- It needs to be more comprehensive before moving forward with an Ordinance – consider parking, the "donut hole," and additional height and density.

Commissioner Higgins:

- Struggling with this proposal – finds it conclusory and piecemeal.
- Concurs that Inclusionary Rental Housing still lacks details, and that it still needs to be more comprehensive before moving forward with an Ordinance.
- With a longer timeline for implementation, the market can absorb the cost of the proposed changes.
- Can't look at AUD in a vacuum; new AUD units open up existing older units for rent.
- Cannot just drop AUD as suggested by the League of Women Voters.

Commissioner Lodge:

- Noted that inclusionary housing is not new to the City.
- Providing new market-rate units without any inclusionary rental housing compounds the affordable housing problem by creating demand for more low-income jobs.
- Increasing the height limits would have no effect on the density issues.
- Moderate income bracket of 80-100% desperately needs more affordable housing.
- Supports inclusionary requirements as a way to get more affordable housing and improve the AUD program.

Commissioner Thompson:

- The process has become more burdensome for applicants with required Planning Commission comments rather than giving the design review boards the support needed to approve projects.
- We can fix the length of time it takes projects to get through the design review and building permit process.
- Costs of inclusionary units will get rolled into the market rate units, making them less attainable. The unintended consequence is that property and rental prices continue to remain high, and will never decrease.
- This a regional issue, housing ending at the City boundaries does not make sense.
- Mandatory inclusionary is a step backwards.

Commissioner Campanella:

- Renters comprise half the population of Santa Barbara, and need affordable housing.
- There were 900 applications for 9 inclusionary for-sale units at Estancia for households earning up to 160% of median income. I'm assuming these households want a better housing situation which leaves rentals as their only option.
- The "missing middle" are renters that can't afford to buy and don't qualify for low-income housing.
- The Quantified Objectives under the Housing Element assumed that only 13 moderate (80%-120%) units would be built versus the 820 moderate units shown under the RHNA allocation.
- Owners have been switching approved condominium projects to AUD rental housing.
- There is now an income and geographic mix of housing in areas where AUD projects are being built (Affordable projects, AUD projects and luxury condos). I believe the rents for the AUD rental projects are comparable to new projects in Goleta and these should be included in the comparison of rents.
- I believe staff has a report from the 604 East Cota Street AUD project that shows a large % of the tenants being local workers. Staff should confirm this.
- We need to end the 250-unit test: we know enough, don't piecemeal it.
- Don't hamstring AUD projects; put them on par with condos by having the inclusionary units as bonus density.
- Give certainty to applicants that the process will allow the same number of units that they began with.
- Does not support Inclusionary Housing as proposed, need to create an additional incentive as part of any inclusionary program.

Chair Wiscomb:

- Supports inclusionary and missing middle housing, but is alarmed by some of the testimony from local developers and is concerned that the KMA Study does not reflect what is going on in Santa Barbara.
- A group of local professionals should review the Study and provide their input to develop workable numbers. Realizes that developers could skew the numbers in their favor, but we need to consider their input.
- Explore the options for changes to the AUD program in the Central Business District.
- Concurs with Schwartz, that priority processing may be key.
- There needs to be a trade-off for the inclusionary requirements.
- Need more flexibility relative to constructing units on-site instead of paying an in-lieu fee.
- If the AUD test period is stymying development, then we need to end it.
- The piecemeal approach isn't working; need to look at the bigger picture.
- Density bonus option should be included.

MOTION: Higgins/ --

Continue indefinitely and return to the Planning Commission with the following components addressed: mapping changes, density changes in the Central Business District, parking, ending the test period, and process improvements as a whole.

The motion failed due to lack of second.

MOTION: Thompson/Schwartz

Forward to the City Council that the Planning Commission does not recommend Adoption of the Ordinance Amendments related to Inclusionary Housing for rental housing in the AUD Program as drafted.

The motion carried by the following vote:

Ayes: 6 Noes: 1 (Lodge) Abstain: 0 Absent: 0

MOTION: Jordan/Thompson

Recommend to Council to return the Ordinance Amendments related to Inclusionary Housing for rental housing in the AUD Program to Planning Commission for further study with the following changes:

1. Remove the limitation of the AUD Program Trial Period duration.
2. Include Density Bonus for Inclusionary Rental Housing, similar to the Density Bonus provisions provided for condominium projects with the Affordable Housing Policies & Procedures.
3. Provide a peer review of the 2019 Keyser Marston Study.
4. Study process improvements to streamline AUD project application and building permit review.
5. Review Inclusionary provisions with the incentives of Density, Parking, and Height as a package.
6. Provide flexibility for an applicant to choose from either in lieu fees, onsite Inclusionary units, or offsite Inclusionary units.

The motion carried by the following vote:

Ayes: 6 Noes: 1 (Higgins) Abstain: 0 Absent: 0

*** THE COMMISSION RECESSED FROM 5:06 TO 5:23 P.M. ***

B. ACTUAL TIME: 5:23 P.M.

APPLICATION OF TRISH ALLEN, SEPPS, AGENT FOR EDWARD ST. GEORGE, 517 CHAPALA STREET, APN 037-163-007 & -008, C-G (COMMERCIAL GENERAL) ZONE, GENERAL PLAN DESIGNATION: COMMERCIAL/MEDIUM HIGH RESIDENTIAL (15-27 DU/AC) (MST2017-00151)

The project consists of the demolition of an existing automobile dealership with 1,300 square feet of office space, merger of two lots (APNs 037-163-007 & 037-163-008) for a combined lot area of 11,500 square feet, and construction of a new three-story, 17,052 square foot (net) building containing 16 hotel rooms, a caretaker unit, and 519 square feet (net) of commercial space. The first level would include the hotel lobby, commercial space, 17 vehicle parking spaces, and three bicycle parking spaces. The second level would include nine hotel rooms and a courtyard area. The third level would include seven hotel rooms and a 905 square foot (net) caretaker unit. A 277 square foot roof deck would be provided for the caretaker unit.

The discretionary applications required for this project are:

1. Development Plan to allow the construction of 7,693 square feet of net new nonresidential floor area (SBMC Chapter 30.230); and
2. Development Plan for a Transfer of Existing Development Rights to transfer three hotel rooms from 3714-3744 State Street (APN 053-300-038) to the project site (SBMC Chapter 30.270).

The project requires an environmental finding pursuant to California Environmental Quality Act Guidelines Section 15183.

Kathleen Kennedy, Project Planner, gave the Staff presentation.

Trish Allen, Agent, Suzanne Elledge Planning & Permitting Services, gave the Applicant presentation, and was joined by Keith Nolan, Architect, Shelby Messner, Planner, OnDesign; and Phil Suding, Landscape Architect.

Public comment opened at 6:02 p.m.

The following individuals spoke:

1. Tony Vassallo
2. Howard Rochestie. Elizabeth Olson ceded time to Mr. Rochestie.
3. Susie Thompson, opposed.

Written correspondence from Tony Vassallo, Caroline Vassallo, and Carole Daneri were acknowledged.

Public comment closed at 6:12 p.m.

MOTION: Jordan/Thompson**Assigned Resolution No. 004-19**

Approved the project, making the findings as outlined in the Staff Report dated February 28, 2019, subject to the Conditions of Approval as outlined in the Staff Report, with the following revisions to the Conditions of Approval:

1. No Residential Parking Permit will be granted for the caretaker unit or any unit associated with the parcel.
2. Construction signage shall be posted on Chapala Street and the alley way.
3. Construction Hours will be extended for Saturday hours as follows: Construction (including preparation for construction work) shall only be permitted Monday through Friday between the hours of 7:00 a.m. and 5:30 p.m. and Saturdays between the hours of 9:00 a.m. and 5:00 p.m.

The motion carried by the following vote:

Ayes: 7 Noes: 0 Abstain: 0 Absent: 0

IV. ADMINISTRATIVE AGENDA**ACTUAL TIME: 6:25 P.M.****A. Committee and Liaison Reports:**

1. Staff Hearing Officer Liaison Report

No report.

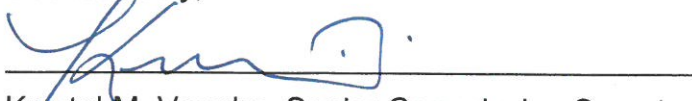
2. Other Committee and Liaison Reports

- a. Commissioner Schwartz announced that the Sea Level Rise Adaptation Plan Subcommittee (SLR) meetings of March 12 and March 26, 2019 are cancelled and the next SLR meeting is scheduled for April 9, 2019.
- b. Commissioner Campanella reported on the Architectural Board of Review meeting of February 25, 2019.
- c. Commissioner Lodge provided photographs of water retention projects built at the Municipal Golf Course for the Commission's information.

V. ADJOURNMENT

Chair Wiscomb adjourned the meeting at 6:31 p.m.

Submitted by,



Krystal M. Vaughn, Senior Commission Secretary